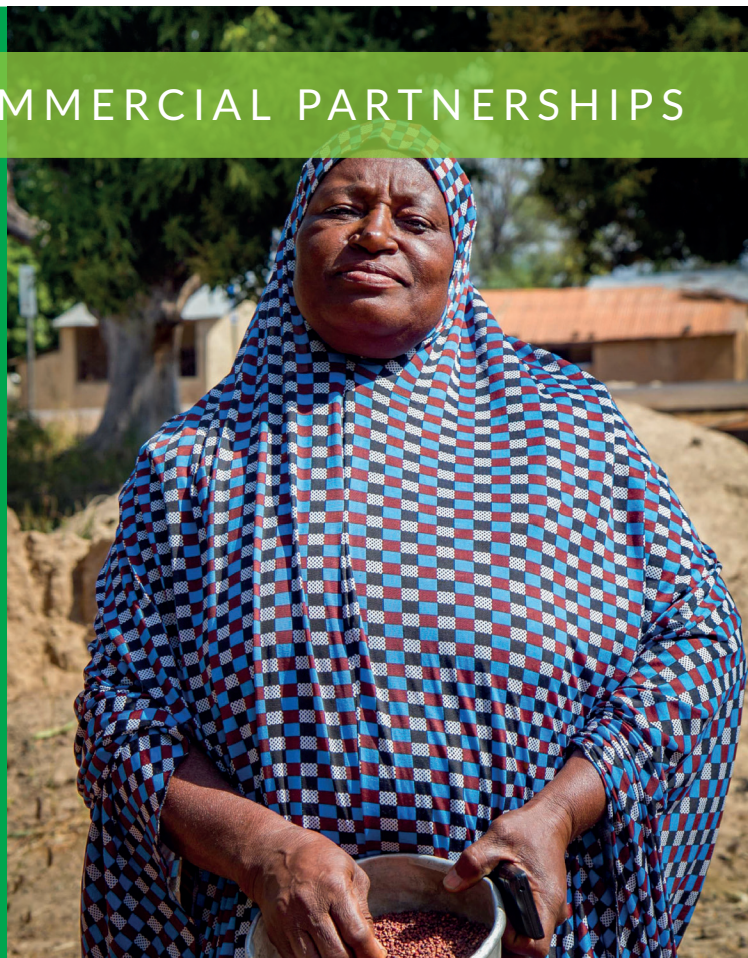


SNAPSHOTS OF COMMERCIAL PARTNERSHIPS

IDDRISU HAMIDA ENTERPRISE

Iddrisu Hamida has two local inputs shops in the Upper West Region and a 12-acre farm on which it grows maize, beans, groundnuts, Bambara beans and vegetables. Ms Iddrisu, the owner of the enterprise, also runs her father's 20-acre farm to produce maize and bean seed. Hamida works with 1,600 out-growers whom the company supports with six Farm Enterprise Advisors (FEAs), providing training, inputs on credit, and shelling and ploughing services.



Business-to-business partnerships through MADE

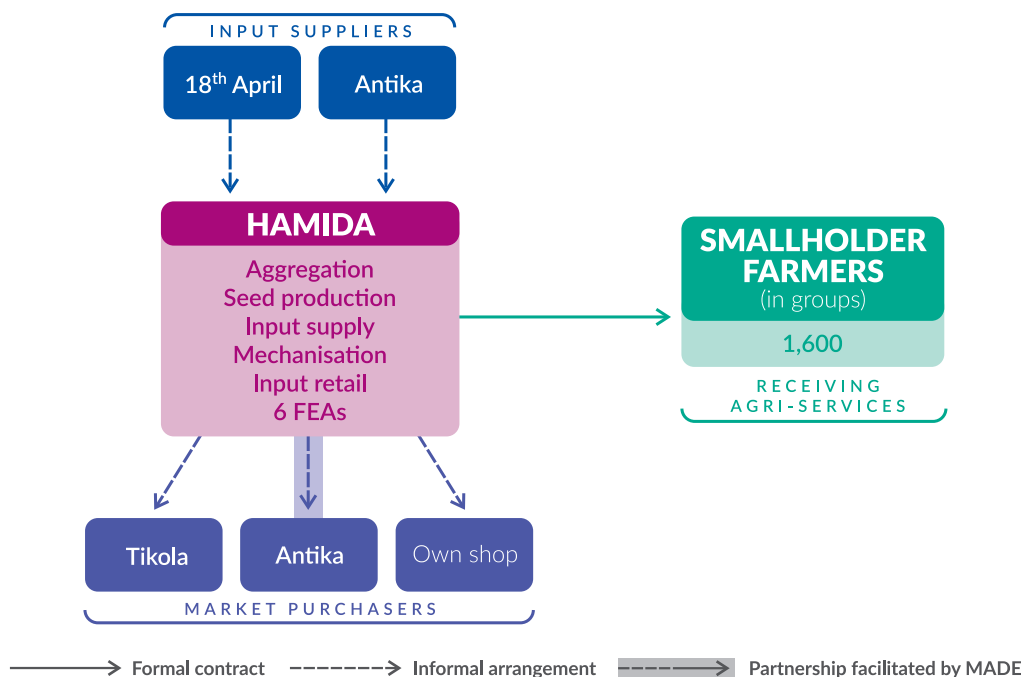
Hamida is a MADE support enterprise in partnership with the lead firm Antika, from whom the company buys fertiliser and pays in kind with seed. Other products are also bought on credit. Hamida's relationship with Antika, as with all other suppliers, is based on trust and goodwill and is not documented.

Other business-to-business partnerships

The company also buys seed and fertiliser from 18th April and Alhaji Mumuni Enterprise.

Business-to-farmer relationships

Hamida provides 650 out-growers with inputs on credit, but the other 950 smallholder farmers (SHFs) the company works with pay cash in advance. The fact that some farmers are able to pay for inputs is a reflection of productivity increases they are achieving due to improved training delivered by FEAs, and access to inputs and mechanisation services. The payback arrangement is three bags of maize in return for two bags of fertiliser. The farmers are organised in groups of 35 to 150 and Hamida keeps records of all these using Microsoft Access.



Business-to-business and business-to-farmer relationships for Iddrisu Hamida Enterprise

Smallholder farmer safeguarding

Hamida has noticed that tractor services ‘from the South’ do not provide SHFs with a quality service. It is therefore a priority for the company to buy a second tractor and provide a better ploughing service. After a poor season last year led to crop losses, Hamida had a negative experience with a local crop insurance broker when the policy failed to pay out for four acres of land that were damaged in rains. The company is therefore unlikely to arrange crop insurance for SHFs again.

Constraints and opportunities

Ms Iddrisu has seen that although hybrid seed is expensive at GHS 300 per acre, it has a big impact on yields, with maize increasing from eight bags per acre to as much as 20 bags. However, the company was not able to source any hybrid seed this season as there were insufficient imports. Hamida had bad experiences with borrowing, finding a loan for a tractor from Sinapi Aba expensive at 15% interest per annum, and does not intend to borrow again. The company would like to expand its out-grower production, but is constrained by its cashflow.

Growth potential

Hamida’s businesses of aggregation and input supply are heavily interlinked and so the company was not able to provide any financial information. Last year, the enterprise made losses on the aggregation side due to heavy rains leading to crop losses.

Additional insights

Hamida has benefitted substantially from previous donor support; for example, receiving support from the ADVANCE programme to get a sheller, a laptop, scales, tarpaulins and a typing machine.